

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 NEA-14 IO-14 ISO-00 SP-03 AID-20 EB-11

NSC-07 RSC-01 CIEP-03 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 CIAE-00 DODE-00 INR-11 NSAE-00 PA-04 USIA-15

PRS-01 COME-00 FRB-03 XMB-07 OPIC-12 LAB-06 SIL-01

AGR-20 FEA-02 DRC-01 ARA-16 /247 W

----- 112763

R 190845Z AUG 74

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WWFHDC 6195

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY ADDIS ABABA

USINT ALGIERS

AMEMBASSY BAMAKO

AMEMBASSY CAIRO

AMEMBASSY GABORONE

AMEMBASSY KHARTOUM

AMEMBASSY KINSHASA

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY LUSAKA

RUQ FI/AMEMBASSY MOGADISCIO 453

AMEMBASSY RABAT

AMEMBASSY TRIPOLI

AMEMBASSY YAOUNDE

USMISSION USUN NEW YORK

C O N F I D E N T I A L DAR ES SALAAM 2817

E.O. 11652: GDS

TAGS: EGEN, EFIN, ENRG, PFOR, OAU, XA, XF

SUBJECT: OAU COMMITTEE OF SEVEN ENDS MEETING IN DAR ES SALAAM

REF: DAR ES SALAAM 2657 (NOTAL)

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1. SUMMARY: OAU COMMITTEE OF SEVEN COMPLETED BRIEF SESSION IN DAR ES SALAAM AUGUST 16. MEETING WAS REPORTEDLY HIGHLY SUCCESSFUL AND BALL IS NOW IN ARAB LEAGUE'S COURT. COMMITTEE ALLOCATED LOAN CEILINGS FOR INDIVIDUAL NATIONS FOR USE OF \$200 MILLION ARAB FUND TO ALLEVIATE PROBLEMS CREATED IN AFRICAN COUNTRIES AS RESULT OF INCREASED PRICE OF OIL. COMMITTEE WAS UNANIMOUS, HOWEVER, THAT OIL-PRODUCING ARAB STATES MUST DO MUCH MORE. END SUMMARY.

2. BEGIN UNCLASSIFIED. OAU COMMITTEE OF SEVEN (BOTSWANA, CAMEROON, GHANA, MALI, SUDAN, TANZANIA, AND ZAIRE) CHARGED WITH DRAWING UP PROPOSALS FOR ALLEVIATING EFFECTS OF INCREASED OIL PRICES, MET IN DAR ES SALAAM AUGUST 15-16. OPENING SESSION WAS POSTPONED FOR ONE DAY DUE TO LATE ARRIVAL OF COMMITTEE CHAIRMAN, SUDANESE FOREIGN MINISTER MANSOUR KHALID. SESSION CLOSED EARLIER THAN EXPECTED, ENDING MORNING OF 16TH. IN ADDITION TO SUDAN, FOREIGN MINISTERS REPRESENTED TANZANIA, MALI, AND REPORTEDLY BOTSWANA. AMBASSADORS BASED IN ADDIS ABABA REPRESENTED CAMEROON, GHANA, AND ZAIRE. EXECUTIVE SECRETARY OF ECONOMIC COMMISSION FOR AFRICA AND VP OF AFRICAN DEVELOPMENT BANK ATTENDED AS OBSERVERS.

3. ACCORDING TO PRESS ACCOUNTS, COMMITTEE DREW UP ALLOCATIONS OF \$200 MILLION FUND INTO CREDIT CEILINGS BASED ON INDIVIDUAL NATION'S INCREASE IN OIL IMPORT BILL, EXPORT PROCEEDS, AND RESPECTIVE GROSS DOMESTIC PRODUCTS. COMMITTEE ALSO GAVE SPECIAL CONSIDERATION TO LAND-LOCKED AND DROUGHT-STRICKEN COUNTRIES. ACCORDING TO COMMITTEE PROPOSALS, INITIAL APPLICATIONS FOR LOANS FROM FUND'S RESOURCES WOULD BE SUBMITTED TO AFRICAN DEVELOPMENT BANK BY ELIGIBLE MEMBER STATES (INDIVIDUALLY OR JOINTLY) UP TO CREDIT CEILINGS AGREED TO FOR EACH COUNTRY. APPLICATIONS WOULD BE CONSIDERED BY COMMITTEE TO BE ESTABLISHED WITHIN BANK WHICH INCLUDES REPRESENTATIVES OF BENEFICIARIES, CONTRIBUTORS, AND OAU SECRETARIAT. ADDITIONAL BORROWINGS MAY BE ALLOWED FOR EACH COUNTRY UP TO OUTSTANDING BALANCE OF ITS CREDIT CEILING AS PERIODICALLY REVIEWED ON BASIS OF CHANGES IN ORIGINAL CRITERIA AND/OR NATURE OF FUND. LOANS MADE FROM FUND WOULD BEAR INTEREST RATE OF ONE PER CENT PER ANNUM, WHICH IS DESIGNED TO COVER ADMINISTERING COSTS OF BANK. COMMITTEE APPROVED IMMEDIATE USE OF 25 PERCENT OF EACH COUNTRY'S QUOTA. INITIAL PAYMENT TO 33 ELIGIBLE AFRICAN COUNTRIES IS EXPECTED TO BE MADE WITHIN TWO MONTHS.

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4. COMMITTEE AUTHORIZED CHAIRMAN KHALID TO MAKE CONTACTS WITH NON-ARAB OIL PRODUCING COUNTRIES AS WELL AS AFRICAN OIL PRODUCING COUNTRIES FOR PURPOSE OF REQUESTING THEM TO CONTRIBUTE TO FUND IN RESPONSE TO APPEAL MADE AT 11TH OAU SUMMITT CONFERENCE IN MOGADISCIO. KHALID SAID HE HOPED TO VISIT NIGERIA, GABON AND VENEZUELA FOR THIS PURPOSE. CHAIRMAN WAS ALSO REQUESTED TO CONTACT SUCH ORGANIZATIONS AS UN EMERGENCY FUND, IMF, AND WORLD BANK, TO DETERMINE

IF THESE GROUPS CAN BE OF ASSISTANCE. COMMITTEE ASKED KHALID TO HOLD DISCUSSIONS WITH ARAB LEAGUE ON WAYS AND MEANS OF ENHANCING AFRO-ARAB COOPERATION FOR DEVELOPMENT. COMMITTEE DECIDED TO SEND REPRESENTATIVES TO UPCOMING ARAB SUMMIT IN RABAT. END UNCLASSIFIED

5. FON. MIN. OFFICIAL, WHO ATTENDED SESSION ON BEHALF TANZANIA, BRIEFED EMB. OFF. ON OUTCOME. HE EXPLAINED BREVITY OF SESSION WAS NOT DUE TO LACK OF PROGRESS; ON CONTRARY, MOST OF GROUNDWORK HAD BEEN COMPLETED BY ADDIS ABABA-BASED AMBASSADORS IN COOPERATION WITH ECA AND COMMITTEE ONLY HAD TO RATIFY THEIR EXCELLENT WORK. KEY FUNCTION OF MEETING WAS ALLOCATION OF MONEY BY INDIVIDUAL NATIONS. OFFICIAL SAID IT IS NOW UP TO ARABS TO ACCEPT OR REJECT CRITERIA. COMMITTEE HAS DONE ITS WORK AND KHALID IS EXPECTED TO PUT PACKAGE BEFORE ARAB LEAGUE IN NEAR FUTURE.

6. FON. MIN. OFFICIAL EMPHASIZED ONE POINT. HE SAID COMMITTEE UNANIMOUSLY AGREED THAT \$200 MILLION AMOUNT IS TOO SMALL; IT IS ONLY "A TOKEN". THIS MESSAGE WILL BE CARRIED TO ARAB LEAGUE. (KHALID, UPON ARRIVING IN DAR ES SALAAM, ALSO PUBLICLY STATED THIS VIEW.) OFFICIAL ADDED THAT PRESIDENT OF SOME OAU COUNTRY WILL PROBABLY ATTEND NEXT ARAB SUMMIT AND PUT FORTH, ON BEHALF OF AFRICA, OAU POSITION ON OIL CRISIS.
BEYER

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